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U. S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

Alcohol and Tobacco Tax Division
Industry Circular No. 56-41

November 21, 1956

Issuance of Record To Be Kept
by Manufacturers of Tobacco

Manufacturers of tobacco:

1. Purpose

The purpose of this industry circular is to announce the issuance of Form 2141, Record To Be Kept By Manufacturer of Tobacco, and to provide instructions and guidelines for the proper recording of the information required by regulations, 26 CFR 275.132.

2. Description of Form 2141

Form 2141 consists of a single sheet 21 by 16 inches perforated on a center fold line to make a double sheet 10½ by 16 inches. The form contains five sections; Section I, Account of Tobacco Materials Received, Section II, Account of Tobacco Materials Shipped, Delivered, Lost, and Destroyed, Section III, Account of Manufactured Tobacco, Section IV, Account of Stamps, and Section V, Account of Taxpaid Manufactured Tobacco Received, which are designed to record such operations and transactions for a period of one month.

3. Issuance of the Form

Six copies of Form 2141 will be furnished initially by the Assistant Regional Commissioner, Alcohol and Tobacco Tax, prior to January 1, 1957, to each manufacturer, in his region, for use beginning such date.

4. Use of Form 2141

The headings of the accounts and columns and the footnotes on the form provide appropriate reference and general instructions to guide the manufacturer in recording the required information. However, additional instructions are furnished with respect to the recording of the following operations and transactions to insure a clear understanding of the major changes made in the record.

(a) Receipt and Disposition of Tobacco Materials

The receipt of tobacco materials into the factory and the subsequent shipment, delivery, loss, or destruction of such

tobacco materials shall be recorded under only the two classifications of unstemmed tobacco (tobacco from which the stem or mid-rib has not been removed) and other tobacco materials (all other tobacco materials, including stems--if received or if shipped or delivered to manufacturers of tobacco products, dealers in tobacco materials, or for purposes other than fertilizer, insecticide, or nicotine--but not including waste). A separate entry shall be made in the record with respect to each receipt, shipment, or other disposition of tobacco materials.

(b) Receipt of Untaxpaid Manufactured Tobacco

The receipt of untaxpaid manufactured tobacco from another factory, an export warehouse, customs custody, and by withdrawal from the market, shall be recorded as a combined single daily entry in Section III of the form, in the column headed "Received Without Payment of Tax." However, with respect to such manufactured tobacco withdrawn from the market, the manufacturers should first determine the disposition to be made thereof and so record only that quantity of manufactured tobacco that is to be reworked, reconditioned, or reduced to materials. The quantity of manufactured tobacco which is reduced to materials shall then also be recorded in Section III in the column headed "Reduced to Materials." The quantity of tobacco materials obtained from such reduction of manufactured tobacco shall then also be recorded in Section I of the form.

(c) Receipt of Taxpaid Manufactured Tobacco

The receipt of taxpaid manufactured tobacco into the factory and the subsequent disposition of such manufactured tobacco shall be recorded in Section V of the form. The manufactured tobacco to be recorded in this section includes the taxpaid tobacco received from another factory, and the taxpaid tobacco of the manufacturer which is returned to the factory, for reshipment in the same condition as received.

(d) Loss and Destruction of Manufactured Tobacco

The loss or destruction of manufactured tobacco which has been recorded as manufactured, or as received without payment of tax, and which is lost or destroyed prior to removal from the factory, shall be recorded in Section III of the form, in the column headed "Lost and Destroyed."

(e) Loss, Destruction, and Mutilation of Stamps

The loss, destruction, or mutilation of stamps which have been recorded as received (including those affixed to packages

which have not been removed from the factory) shall be recorded in Section IV of the form, in the column headed "Lost, Destroyed, and Mutilated."

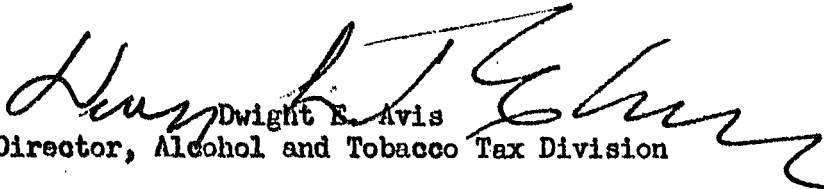
(f) Reduction of Manufactured Tobacco to Materials

The reduction to tobacco materials of manufactured tobacco which has been recorded as manufactured, or as received without payment of tax, shall be recorded in Section III of the form, in the column headed "Reduced to Materials."

5. Effect on Prior Instructions

Any prior instructions relative to the keeping of the internal revenue record which are inconsistent or in conflict with the instructions contained in this Industry Circular or printed on the form, are hereby amended or superseded accordingly.

6. Inquiries in regard to this Industry Circular should refer to the number thereof and should be directed to the appropriate Assistant Regional Commissioner, Alcohol and Tobacco Tax.


Dwight E. Avis
Director, Alcohol and Tobacco Tax Division